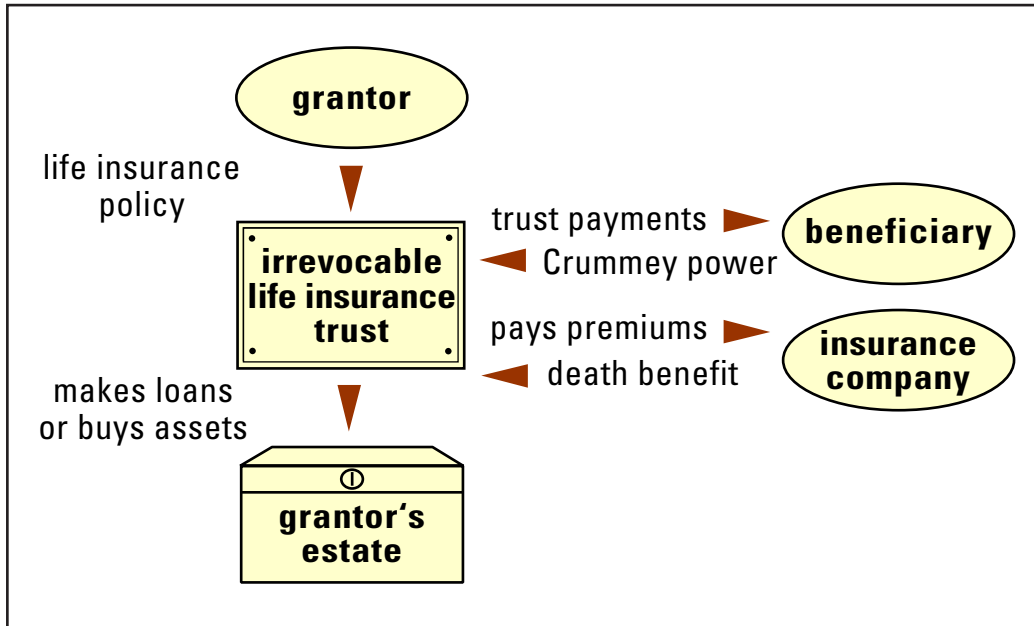


HOW THE IRREVOCABLE LIFE INSURANCE TRUST WORKS



The grantor transfers a life insurance policy to the trust (or preferably, the trustee applies for a new policy, thereby avoiding the possibility that the policy would be included in the grantor's gross estate).

The grantor transfers cash annually to the trust which can be sheltered from the gift tax by the gift tax annual exclusion, through the beneficiary's Crummey power.

The trustee makes premium payments.

At the grantor's death, the trust receives the death benefit from the policy.

The trust gives the trustee the power to make loans to the grantor's estate, or to purchase assets from the estate, to provide the estate with funds to help pay estate settlement costs.

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